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*On the Progress of Fire Insurance in Great Britain, as compared with other Countries.* By SAMUEL BROWN, F.S.S.

[Read before the Statistical Society, 21st April, 1857.]

I.—*Introduction of Fire Assurance into England.*

THE system of Fire Insurance has been practised in Great Britain, either by private societies, public companies, or corporate bodies, for more than 180 years. In an article on Fire Insurance, in Vol. XII., Part II., of the *Encyclopædia Britannica*, 8th edition, recently published, Mr. F. G. Smith draws attention to the various attempts which were made to interest the corporation of the city of London in the subject, and to the proposals which for this purpose were submitted to the Court of Common Council between the years 1669 and 1680, and more especially to one from Mr. Deputy Newbold, which appears to have been the most acceptable. The delay which occurred before the report of the Committee was presented enabled other private individuals to originate a scheme for fire insurance, and by the advertisements of the day it appears that they offered to insure against damage by fire, brick houses at 6*d.* in the pound, and timber houses at 1*s.* in the pound, rates which showed the little knowledge which at that time prevailed upon the subject, provided sufficient business could be reckoned upon to obtain an average of the risks. On the 13th October, 1681, the Court of Common Council decided to effect fire insurances on houses within the city and liberties, and engaged a sufficient fund and undoubted security by the Chamber of London on lands and ground rents to provide for the fulfilment of their contracts. The war that ensued between those private societies which had been the first in the field, and the city insurers, gave rise to much amusing pamphleteering and advertisements in the *Gazette*. In 1681, 1682, and 1683, the journals of the Court of Common Council record the signing of many policies and refer to the discussions and arguments of their opponents; but the city authorities appear to have been soon weary of the scheme, for by a resolution of the 13th November, 1682, the Court decided to relinquish the business, to cancel the existing contracts, and to return the money accepted for them.\*

\* Previously to these rude essays of the Court of Common Council to set on foot a scheme of mutual insurance against loss from fire, it had been a long established practice to make almost every considerable conflagration a case for an appeal, *ad misericordiam*, to the parishes in every part of the kingdom where such an appeal could produce a collection at the churches for the relief of the sufferers. The parochial archives of England contain abundant proof of this. The appeals for relief at length became so frequent that traces of serious complaint can be found. Contributions of this kind, which were purely voluntary and eleemosynary in England, were compulsory in some neighbouring countries; and it is a fair query, whether the advanced and well-advised laws of compensation for fire, embodied in the foreign codes, are not the development of the ancient *Coutumes* under that title?

Although a few policies were issued after this date, the real extension of the business fell into the hands of some mutual societies which appear to have been established on the principle, not uncommon in the present day, for marine risks in small seaport towns, and for fire and hail insurance on the continent, of taking only a portion of the premiums to cover current expenses and making calls for the losses as they arose. The plan is very defective where the risks fall irregularly, as heavy contributions are sometimes required, and are always met with great reluctance by the members; thus, one notice of call on the members of the Friendly Society in 1685, demands a contribution from each member of 5s. 1*d.* per cent. Mr. Deputy Newbold claimed compensation from the city for the failure of his favourite scheme, and on the report of the committee at the latter part of the year 1696, it was resolved to present him with the freedom of the city, for two persons to be approved of by the corporation at the reduced fee of forty-six shillings and eight pence a piece. In the same year the oldest of the existing Fire Insurance Companies, the "Hand in Hand," was established, and for 10 years remained without any important competitor. From 1696 to 1706 insurance against fire was principally confined to buildings in London, when the existing Sun Fire Office was projected by Mr. Charles Povey, to ensure merchandize and household goods as well, and to extend the benefits of fire insurance beyond the limits of the metropolis. The Union followed in 1714, the Westminster Fire in 1717, and the Royal Exchange and London Assurance, having been previously existing and incorporated in June 1720, "for insuring ships and goods at sea or going to sea, and for lending money upon bottomry," were in 1721 authorized to extend their operations to the business of fire insurance.

Since then the number of offices has gone on increasing, till, by the last published government return of duty for 1855, it appears that in England and Wales there were no less than 65 offices (39 in London and 26 in the country) 7 in Scotland and 37 making returns of duty in Ireland, of which 2 only were native, and the rest branches of English or Scotch Companies, already included in the preceding numbers, making altogether 74 offices in the United Kingdom.

Notwithstanding the importance of the subject, and the enormous amount of property which is known to be brought within the benefits of the system, no record exists of the actual amount insured, nor are there any public or private documents from which the real facts can be drawn. The nearest approximation to the truth is obtained from the returns of the government duty, since it was first charged as a per centage on the sums insured, commencing with 24th June, 1782.

For example, there is the custom of *Furnes*. Article XI. of the Law (*Cora*, or *Keure*, as it is termed), which was promulgated, in the year 1240, by Thomas, Count of Flanders, and Johanna, his countess, which recites the following community of liability:—

"*In quacunque villa combustio facta fuerit occulte, tota villa statim solvet damnum per illos quos eligent coratores; quod si malefactor sciri poterit, bannietur perpetuo, et solvetur damnum de bonis ejus; residuum vero cedat comiti. Qui vero de nachbrant acclamatus fuerit, per quinque coratores purgare se poterit; oloquin suspendetur, omnia bona sua erunt in gratia comitis, restituto prius damno illi qui damnum habuet: si prius tamen querimoniam fecit.*" (F. Hendriks.)

Previous to that period the tax was only a stamp on each policy, without reference to the precise amount insured, which has varied at different times from 1694 to 1804, since which period it has remained at 1s. for each policy. As the returns for these stamp duties are undistinguished from those of other instruments subject to the same rate of charge, no information can be deduced relative to the number of policies issued in any one year; and as insurances against fire effected by British offices on property in foreign countries were exempted from the per centage duty, from the 5th July, 1786, the most careful estimate we can make may still differ several millions from the actual amount of business transacted by the British offices.

Even when we have recourse to the best means in our power, and endeavour to analyze the returns of duty paid into the stamp offices, which have been called for by various members in different years, and printed by order of the House of Commons, we find the labour so great and the liability to error so increased, from the manner in which the statements have been presented, that scarcely any of the printed totals for any one year precisely agree. For England the account of the sums paid into the Stamp Office for the fire insurance duties, are printed separately for each office, London and country, with the allowance at four per cent. for collection in London, and five per cent. for collection in the country in each of the four quarters, all the items being given to shillings and pence. No attempt is made to bring together the total duty paid by each office in the year, nor by the London or country offices collectively; and, without the great labour of copying the whole of the returns into a new form, it is very difficult to obtain accuracy in the totals. If any error has occurred in the printing, it is equally impossible to ascertain in which column the error lies. The same remark applies to the returns for Ireland, both for the insurance duties and the farming stock exempt, and, with the exception of the small portion of the return from Scotland, the whole document is by no means creditable to the department from which it is issued.

These returns differ also in other respects from other official documents, recording the amounts of the duty paid. A report on fire insurance duties, by Mr. George Cooke, addressed to the Right Honourable Sir George Cornewall Lewis, Bart., M.P., Chancellor of the Exchequer, dated 29th November, 1856, and presented by command of Her Majesty to both Houses of Parliament, contains a very valuable table of the various fiscal changes which have been made in the duties, and other historical and statistical facts relating to the subject, which are well worthy of attention. From 1782 to 1800 the returns of the per centage duty are given to the 1st August in each year; and from 1800 to 1856 to the 5th January in each year, so that the statements of agricultural stock exempt, made up to Christmas of one year, have to be compared with the sums insured, deduced from the duties to the 5th January of next year. Mr. Cooke has evidently taken great pains in the preparation of this table, and has added the total value of property insured for every year from 1783 to 1855; but, as his calculations comprise only the insurance business of England and Wales, and differ in date from the other government quarterly returns, I have thought it better to give a statement of the

total business in Great Britain from the best sources I could refer to, and merely present from Mr. Coode's table the total amount insured in each year, and the summary of the changes made in the duties, and the progress of fire insurance, as indicated by the totals at each period of change. Before doing so, however, I must draw attention to what appears to be an error of Mr. Coode in quoting the date of one of the Acts of Parliament, by which the proportionate value of the sums insured will have to be corrected from 1788 to 1797, inclusive, by adding one-third to the amount given. The additional duty of 6*d.*, added to the first per centage duty of 1*s.* 6*d.* from 24th June, 1782, is stated by Sir Frederick Eden, in his little work "On the Policy and Expediency of granting Insurance Charters," to have been laid on by 37 Geo. III., c. 90, instead of 27 Geo. III., and this I find to be the case on referring to the Act. The alteration consequently dates from 5th July, 1797, instead of 1787, as given by Mr. Coode.

The following are the changes recorded in the table alluded to, with the estimated value of property ascertained from the per centage duty at the respective periods:—

		I. Stamp on Policy.	II. Per-centage Duty.	Revenue from Duty.	Value of Property Insured.
1694	5 Wm. & Mary, c. 21, continued by several Acts, and made perpetual by 1 Geo. I., stat. 2, c. 12, sec. 8,—repealed by 44 Geo. III., c. 98, sec. 1.	6 <i>d.</i> on the Policy for 4 years, from 28th June, 1694.	....	£ ..	£ ..
1698	9 Wm. III., c. 26, made perpetual, 1 Geo. I., stat. 2, c. 12,—wholly repealed by 44 Geo. III., c. 98, sec. 1 & 48 Geo. III., c. 149.	6 <i>d.</i> additional, from 1st Aug., 1698, = 1 <i>s.</i>	....	..	..
1711	10 Anne, c. 26.	2 <i>s.</i> 4 <i>d.</i> additional for 32 years, from 1st Aug., 1712 (1744), = 3 <i>s.</i> 4 <i>d.</i>	....	..	..
1713	12 Anne, stat. 2, c. 9, expressly applied to Policies by Declaration in 5 Geo. III., c. 35.	6 <i>d.</i> additional for 32 years, from 2nd Aug., 1714 (1746), = 3 <i>s.</i> 10 <i>d.</i>	....	..	..
1756	30 Geo. II., c. 19, declared to apply to Policies by 5 Geo. III., c. 35.	1 <i>s.</i> additional, from 5th July, 1757, = 4 <i>s.</i> 10 <i>d.</i>	....	..	..
1765	5 Geo. III., c. 35.	2 <i>d.</i> additional, from June, 1765, within the Weekly Bills, = 6 <i>s.</i> , 2 <i>s.</i> 6 <i>d.</i> additional elsewhere = 5 <i>s.</i>	....	..	..

		I. Stamp on Policy.	II. Per-centage Duty.	Revenue from Duty.	Value of Property Insured.
1775	16 Geo. III., c. 34.	1s. additional after 5th July, 1776, = 6s.	....	£ ..	£ ..
1776	17 Geo. III., c. 50.	1s. on Policies of Insurance exceed- ing 1,000l., 5s. ad- ditional, from 5th July, 1777, on 1,000l. and over, = 11s.	....	..	..
1781	22 Geo. III., c. 48.	....	1s. 6d. per 100l. assured from 24th June, 1782.	..	..
1782 3	....	....	....	Years ending 1st August, 112,822	173,333,336*
1786	26 Geo. III., c. 82.	....	Foreign Property exempted, from 5th July, 1786.	99,587	132,772,667
1796	....	....	....	141,256	188,340,000
1797	37 Geo. III., c. 90.	Repeal of former Du- ties of 6s. and 11s. New Duties, from 5th July, 1797, 3s. under 1,000l., and 6s. for 1,000l. and upwards.	6d. additional, from 5th July, 1797, = 2s.	136,122	181,496,000
1798	....	....	....	183,756. To 5th Jan., 238,067	183,756,000 238,067,000
1804	44 Geo. III., c. 98.	Repeal of former Du- ties. New Duty, from 10th October, 1804, 1s. on the Policy.	Repeal of former Du- ties. New Duty, from 10th October, 1804, 2s. 6d. on 100l. insured.	....	....
1805	....	....	....	260,610	248,200,000†
1808	48 Geo. III., c. 149.	Repeal of former Duties. New Duty, from 10th October, 1808, 1s. on the Policy.	....	..	..
1810	50 Geo. III., c. 35.	Colonial Insurances, from 24th May, 1810, Stamp (in- stead of former Duty), 2s. 6d. per 100l., and 1s. on the Policy.	Colonial Insurances, former Duty re- pealed, from 24th May, 1810.	..	..
1815	55 Geo. III., c. 184.	Repeal of former Duty. New Duty, from 31st August, 1815, 1s. on the Policy; Colonial Insurance, 2s. 6d. on Policy, 5s. per 100l.	Repeal of former Duty. New Duty, from 28th Sept., 1815, 3s. per 100l. insured.	486,540	389,232,000
1816	....	....	....	501,955	384,785,578‡

\* Duty for 401 days; the sums insured computed on 130,000l., the proportion for one year.

† Duty assumed, 288 days at 2s., and 77 days at 2s. 6d.

‡ Duty assumed at 2s. 6d. for 260 days, at 3s. for 99 days.

		I. Stamp on Policy.	II. Per-centage Duty.	Revenue from Duty.	Value of Property Insured.
1828	9 Geo. IV., c. 3.	....	Detached Buildings, and their Contents, to be insured sepa- rately, from 5 July, 1828. Average In- surance permitted.	£ ..	£ ..
1833	3 & 4 Wm. IV., c. 23.	Agricultural Insur- ances exempted from, 24th June, 1833.	Agricultural Insur- ances exempted from, 24th June, 1833.	..	..
1834	....	....	....	754,695	503,130,000
1835	....	....	....	725,509	483,939,335*
				Agric.	37,211,693*
1842	5 & 6 Vict., c. 79.	....	....	..	..
1855	....	....	....	1,203,861	802,574,000+
1856	19 Vict. c. 22.	Duties chargeable on Insurances made abroad. Re insur- ances charged with Policy Stamp Duty.	Duties charged on Insurances made abroad. Re-insur- ance exempted.	..	62,285,976+

From the statements given it would appear that the sums insured diminished gradually from 173 $\frac{1}{2}$  million pounds, for the year ending 1st August, 1783, to about 132 $\frac{3}{4}$  million pounds in 1786, when foreign property was exempted from the duty, the diminution in the three years being at the rate of about 13,520,000*l.* each year. During this period the stamp duties were very heavy, being, as will be seen in the above statement, 6*s.* on policies under 1,000*l.*, and 11*s.* on policies for 1,000*l.* and upwards, in addition to the duty of 1*s.* 6*d.* per cent. on the sum insured. Considerable opposition was made in the city to these high rates, and in 1797 those duties on policies were respectively reduced to 3*s.* and 6*s.* The amount insured increased from 1788, till it reached nearly 188 $\frac{1}{2}$  million pounds, in the year ending 1st August, 1796, being an increase at the rate of about 5,556,000*l.* per annum. In the following year, when the per centage duty was increased by one-third, it fell to 181 $\frac{1}{2}$  million pounds, from which it again increased till it reached 238 million pounds, for the year ending 5th January, 1804, being at the rate of 8,081,000*l.* per annum. In that year the per centage duty was raised to 2*s.* 6*d.*, but the policy duty reduced to 1*s.*, a very considerable reduction; and from 1804 to 1815 the sums insured increased from 238 million pounds to about 389 $\frac{1}{4}$  million pounds, being an increase of 137,742,000*l.* per annum. The duty being again increased in September, 1815, and made 3*s.* per cent., appears to have caused an absolute diminution of insurances, varying from £4 $\frac{1}{2}$  to £7 millions, in the next and two following years; from that period till 1834 no further change was made in the duties till the exemption of agricultural stock from duty from 24th June, 1833, and from January, 1835, to January, 1855, the sums insured increased from about 484 million pounds to 802 $\frac{1}{2}$  million

\* Total Value of Property Insured, 1855, 521,150,936*l.*+ Ditto, 1856, 804,869,976*l.*

pounds, and the agricultural stock exempt from  $37\frac{1}{4}$  million pounds to  $62\frac{1}{4}$  million pounds, or together about 17,185,000*l.* per annum.

It will be seen that some parts of the statements above given differ materially from the estimates of Mr. Coode, in consequence of the discrepancy in the dates of the Act of Parliament alluded to; and his defence of the duty now imposed, and his answers to the objections which have been urged against it, deserve careful consideration. In order, however, to complete the full view of the progress of fire insurance in Great Britain, and bring into comparison the few statistics which we have of its progress in other countries, I defer a few remarks on his report to a subsequent part of this paper.

## II.—*Fire Insurance in Great Britain.*

In the subjoined table I have endeavoured to bring together as accurate information as I could obtain of the total amount of property insured against fire in the London and Country offices respectively, deduced from the quarterly returns of the fire insurance duties. The statements as to the London offices from 1782 to 1855, were taken from the totals put together from the quarterly statements in the original returns, which have been kept from year to year by some of the principal London offices, and appear to have been done with much care and accuracy. The statements as to the duties paid by country offices, and in Scotland and Ireland, are from a table given in the *Assur. Mag.*, Vol. II., p. 75; and the amount of agricultural stock exempt, which shows the amount insured in the London, Country, Scotch, and Irish offices, or branch offices carrying on their operations in Scotland and Ireland; from Mr. Coode's table and other sources. The last column shews the total amount of property insured against fire in the United Kingdom, which is either liable to the duty or declared to be exempt, as it has been given by Mr. Coode for England and Wales. As, however, the dates of the duty returns change in 1801, I have placed each of the totals terminating with the 5th January, to compare with the year ending Christmas preceding, leaving out the estimate for part of the year 1800, which would otherwise occur twice. It is to be regretted that no accurate computation can be given of the amount of insurances effected on foreign property. Only a few of the offices carry on this class of business. Mr. F. G. Smith is disposed to estimate the total home and foreign business for last year at not less than £1,500 millions; but I have been favoured with the opinion of a gentleman, whose position and experience gives the greatest weight to his judgment, that the whole of the foreign fire insurance of Great Britain, including that of the colonies, does not exceed 25,000,000*l.* Between statements differing so widely, it is impossible to give any accurate computation, but the greater part of those whom I consulted, considered that from £100 to £200 millions were more probably the limits, and I have, therefore, assumed £125 millions, being only one-fourth of the highest estimate.



*Table showing the Sums Insured against Fire in the London Offices from 1782 to 1855; in the Country Offices from 1805 to 1855; and in Scotland and Ireland from 1836 to 1855; together with Mr. Coode's Table of the Totals for England and Wales from 1782 to 1855, (deduced from the Returns of the Per-centage Duty).*

[The figures on the right of the decimal point express £100,000s.]

Year.	London Offices.	Country Offices.	Total England and Wales.	Scotland.	Ireland.	Total Great Britain.	Total England and Wales, by Mr. Coode's Table corrected.	Total Great Britain, including Agricultural Stock exempt.
	£ Mins.	£ Mins.	£ Mins.	£ Mins.	£ Mins.	£ Mins.	£ Mins.	£ Mins.
1782 Duty 1s. 6d. from 24th June	77·2	....	....	....	....	....	....	....
1783	147·4	....	....	....	....	....	173·3	....
1784	119·4	....	....	....	....	....	154·9	....
1785	127·2	....	....	....	....	....	136·6	....
1786	124·2	....	....	....	....	....	132·8	....
1787	128·1	....	....	....	....	....	136·9	....
1788	132·3	....	....	....	....	....	135·1	....
1789	135·3	....	....	....	....	....	139·9	....
1790	142·1	....	....	....	....	....	144·9	....
1791	148·1	....	....	....	....	....	150·9	....
1792	163·6	....	....	....	....	....	162·1	....
1793	163·0	....	....	....	....	....	177·3	....
1794	169·4	....	....	....	....	....	176·5	....
1795	178·8	....	....	....	....	....	176·7	....
1796	174·0	....	....	....	....	....	188·3	....
1797 Duty 2s. from 5th July	175·0	....	....	....	....	....	181·5	....
1798	188·9	....	....	....	....	....	183·8	....
1799	182·9	....	....	....	....	....	198·6	....
1800	195·7	....	....	....	....	....	204·9	....
1801	205·5	....	....	....	....	....	219·6	....
1802	210·8	....	....	....	....	....	223·5	....
1803	217·5	....	....	....	....	....	238·1	....
1804 Duty 2s. 6d. from 10th Oct	224·1	....	....	....	....	....	248·2	....
1805	233·8	21·2	255·0	....	....	....	256·9	....
1806	246·6	24·1	270·7	....	....	....	272·9	....
1807	255·1	22·3	277·4	....	....	....	281·6	....
1808	271·2	35·7	306·9	....	....	....	303·1	....

In 1797 half the duty taken at 1s., and half at 2s.

In 1804 three quarters of the duty taken at 2s., and one quarter at 2s. 6d.

*Table showing the Sums Insured against Fire.—Continued.*

Year.	London Offices.	Country Offices.	Total England and Wales.	Scotland.	Ireland.	Total Great Britain.	Total England and Wales, by Mr. Coode's Table corrected.	Total Great Britain, including Agricultural stock exempt.
	£ Mlns.	£ Mlns.	£ Mlns.	£ Mlns.	£ Mlns.	£ Mlns.	£ Mlns.	£ Mlns.
1809	289·4	38·2	327·6	....	....	....	324·8	....
1810	304·9	46·0	350·9	....	....	....	347·3	....
1811	307·9	52·1	360·0	....	....	....	358·2	....
1812	311·3	57·2	368·5	....	....	....	362·6	....
1813	320·7	60·7	381·4	....	....	....	330·0	....
1814	323·9	63·7	387·6	....	....	....	389·2	....
1815 Duty 3s. from 28th Sept.	328·9	62·5	391·4	....	....	....	384·8	....
1816	313·3	74·1	387·4	....	....	....	382·1	....
1817	306·6	80·5	387·1	....	....	....	385·0	....
1818	311·3	75·5	386·8	....	....	....	389·5	....
1819	313·5	72·2	385·7	....	....	....	396·8	....
1820	315·3	77·9	393·2	....	....	....	391·3	....
1821	311·9	....	....	....	....	....	399·0	....
1822	314·5	90·4	404·9	....	....	....	405·3	....
1823	318·7	94·1	412·8	....	....	....	401·7	....
1824	330·8	103·6	434·4	....	....	....	427·7	....
1825	329·2	118·7	447·9	....	....	....	442·2	....
1826	337·7	120·7	458·4	....	....	....	461·2	....
1827	328·6	123·1	451·7	....	....	....	446·7	....
1828	348·9	123·2	472·1	....	....	....	470·8	....
1829	352·9	124·5	477·4	....	....	....	482·2	....
1830	356·3	129·6	485·9	....	....	....	478·2	....
1831	366·9	134·5	501·4	....	....	....	499·1	....
1832	370·0	132·1	502·1	....	....	....	503·7	....
1833	366·6	126·5	493·1	....	....	....	503·1	....
1834 Agricultural stock exempt	366·9	124·7	491·6	....	....	....	521·2	....
	19·6	17·6	37·2	....	....	....	....	....
1835	374·9	131·4	506·3	....	....	....	545·6	....
	22·6	18·9	41·5	....	....	....	....	....
1836	387·2	140·0	527·2	37·0	5·5	569·7	563·4	615·6
	23·7	19·4	43·1	2·8	....	45·9	....	....
1837	392·6	144·9	537·5	38·6	26·8	602·9	582·2	651·5
	25·1	19·8	44·9	3·4	0·3	48·6	....	....
1838	410·1	150·7	560·8	39·8	28·0	628·6	571·2	680·5
	27·3	20·6	47·9	3·6	0·4	51·9	....	....

In 1815 three quarters taken at 2s. 6d. duty, and one quarter at 3s.

In 1834 and subsequent years farming stock exempt placed under the line in each year.

*Table showing the Sums Insured against Fire.—Continued.*

Year.	London Offices.	Country Offices.	Total England and Wales.	Scotland.	Ireland.	Total Great Britain.	Total England and Wales, by Mr. Coode's Table corrected.	Total Great Britain, including Agricultural Stock exempt.
	£ Mlms.	£ Mlms.	£ Mlms.	£ Mlms.	£ Mlms.	£ Mlms.	£ Mlms.	£ Mlms.
1839	425·7	153·9	579·6	39·5	29·3	648·4	635·1	700·4
	27·2	21·5	48·7	2·9	0·4	52·0		
1840	438·2	157·1	595·3	40·2	30·1	665·6	641·4	720·3
	28·6	22·4	51·0	3·3	0·4	54·7		
1841	446·7	159·2	605·9	44·7	31·0	681·6	652·7	738·0
	30·0	22·0	52·0	4·0	0·4	56·4		
1842	451·8	159·8	611·6	44·2	30·5	686·3	666·8	744·0
	31·2	21·9	53·1	4·1	0·5	57·7		
1843	461·3	156·9	618·2	44·6	32·6	695·4	670·2	755·6
	33·6	22·0	55·6	4·1	0·5	60·2		
1844	465·3	159·3	624·6	46·0	33·5	704·1	681·9	763·8
	32·4	22·5	54·9	4·3	0·5	59·7		
1845	481·5	167·3	648·8	47·8	33·2	729·8	696·5	790·8
	33·5	22·4	55·9	4·5	0·6	61·0		
1846	484·3	172·9	657·2	50·1	35·5	742·8	676·6	804·3
	33·3	22·7	56·0	5·0	0·5	61·5		
1847	492·0	176·9	668·9	47·0	35·7	751·6	727·0	815·1
	35·1	23·1	58·2	4·7	0·6	63·5		
1848	493·9	177·2	671·1	42·5	34·0	747·6	726·5	811·2
	35·9	23·0	58·9	4·1	0·6	63·6		
1849	503·4	180·1	683·5	43·3	33·6	760·4	738·1	823·3
	36·5	21·8	58·3	4·1	0·5	62·9		
1850	521·4	181·0	702·4	44·3	34·4	781·1	752·1	843·0
	36·6	20·6	57·2	4·2	0·5	61·9		
1851	533·8	185·7	719·5	44·6	35·3	799·4	768·8	858·8
	34·5	20·4	54·9	4·1	0·4	59·4		
1852	512·6	195·5	738·1	45·8	35·9	819·8	787·1	879·4
	33·9	20·9	54·8	4·3	0·5	59·6		
1853	554·7	210·1	764·8	48·4	38·1	851·3	816·9	912·3
	34·5	21·5	56·0	4·4	0·6	61·0		
1854	567·5	224·2	791·7	51·5	39·0	882·2	844·3	947·0
	36·0	22·9	58·9	5·3	0·6	64·8		
1855	573·6	230·9	804·5	53·0	39·5	897·0	864·9	965·1
	38·0	24·3	62·3	5·2	0·6	68·1		

In Mr. Coode's table, 1834 and subsequent years include agricultural stock exempt.

### III.—*Fire Insurance in France.*

The amount of fire insurance in Great Britain, though it may appear large to those to whom the subject is presented for the first time, sinks into comparative insignificance when contrasted with the totals insured in France, especially when we consider that in the former country the system has been known for more than 180 years, and that in the latter it was only introduced about 40 years ago. The first company regularly established in France "La Mutuelle de Paris pour les Immeubles," only dates from 1816; and the first proprietary company, "La Compagnie d'Assurances Générales," from 1819. The

plan and constitution of the latter was professedly founded on the model of the English companies. The total amount insured in the "Sun," the largest English company, exceeded, according to the duty returns, 140,442,000*l.* in 1855, exclusive of foreign insurances; but in the same year, after 35 years' existence, the insurances in the "Nationale," established only in 1820, amounted to upwards of 203,000,000*l.*, after deducting re-assurances. In 1836 there were but five proprietary companies existing in France, at which time the insurances therein amounted to 440,930,040*l.* In 1837 and 1838 five new companies were founded, and their new business, combined with the increasing business of the old, showed in 1839 a total of 539,625,094*l.*, being an increase in 3 years of 22·4 per cent. Between 1839 and 1844 six new companies were added to the list, and at the latter date the sums insured in 14 out of the 16 companies, amounted to 785,480,819*l.*, being an increase in 5 years on the previous amount of 45·6 per cent.

The following table will give a brief summary of the operations of the proprietary companies in France for the ten years 1843 to 1852 inclusive:—

*Sums Insured against Fire in French Proprietary Companies in each of the Years 1843 to 1852.*

Year.	Number of Companies.	Sums Insured.	Premiums received in the Year.	Loss in the Year.	Premiums per Cent. on Sums Insured.	Loss.	
						Per Cent. on Sum assured.	Per Cent. on Premium.
		£	£	£			
1843	11	695,260,639	649,626	291,439	·093	·042	44·8
1844	14	785,480,820	723,168	410,697	·092	·052	56·8
1845	19	861,469,862	692,677 (12 Comps.)	455,963	·080	·053	65·8
1846	12	816,248,039	726,648	466,476	·089	·057	64·2
1847	14	889,628,056	810,868	442,203	·091	·050	54·5
1848	14	928,795,949	841,238	413,137	·091	·044	49·1
1849	9	921,292,646	797,789	383,860	·087	·042	48·1
1850	13	968,873,833	827,497	415,270	·085	·043	50·2
1851	all	1,018,940,556	893,890	382,413	·088	·038	42·8
1852	all	1,026,705,087	902,478	397,696	·088	·039	44·1

As in the above table the accounts of some of the companies are wanting, the total amounts insured should be examined in reference to the number of companies in the margin, otherwise it might appear incorrectly, that the total amount of insurance has diminished in some of the years. The premiums are remarkably low, scarcely exceeding an average of ·087 or 1*s.* 9*d.* per cent., including heavy mercantile and manufacturing risks, and yet the losses form about the same per-centage on the premiums as is generally understood to be the average in this country. Taking the numbers and amounts of losses, which were given in some of the original returns, the average in the Royale or Nationale was found to be about 44*l.* in the Générale and Urbaine 39·1*l.*, and in La France 38·2*l.* each loss.

In 1849, the total expenses were about 35·3 per cent. on the premiums; in 1850, about 37,021 per cent. on ditto; in 1851, 37·025 per cent.; in 1852, about 39 per cent.

I have recently been favoured by M. Maas, the Manager of one of the leading French Companies, "L'Union," with some additional facts for subsequent years.

Sums Insured against Fire in Proprietary Companies in France.	
	£
In 1853.....	1,092,000,000
1854.....	1,176,000,000
1855.....	1,236,000,000

The accounts for 1856 are not yet published, but it is estimated that the sums insured will very nearly reach the large amount of 1,320,000,000*l.* in the proprietary companies alone. The accounts of the mutual companies are not published with the same regularity and fullness; but M. Maas computes them at not less than 480,000,000*l.*, making the large total for last year of 1,800,000,000*l.*, not far short of double the amount of insurances in the United Kingdom. The above amount is stated less the re-insurances effected with other countries; but as, on the other hand, the re-insurances from abroad are included, the difference to be added would probably not amount to more than 80,000,000*l.*

In 1850, the total amount assured by mutual and proprietary companies was estimated at about 1,318,433,804*l.*, the annual premiums on which were 1,120,669*l.* = '085 per cent. on sums insured, and losses, 565,468*l.* = 0·43 per cent. on sums insured. In 1852, the total insurance in mutual and proprietary companies were estimated at 1,415,000,000*l.*

In order to account, however, in some degree for the very large amount insured compared with Great Britain, it is necessary to explain some peculiarities in the Law of French Insurance, which give rise to what are called "*le risque locatif*" and "*le recours des voisins*."

As to the former, it is provided by Article 1733 of the Code Civil:—"The tenant must answer for a fire unless he can prove that it happened by accident or by fault of construction, or that the fire communicated from an adjoining house."

Article 1734.—"If there are several tenants all are fully responsible for the fire, unless they can prove that the fire commenced in the dwelling part of any one of them, in which case he alone shall be held liable, or unless some can prove that it was not possible that the fire could commence in their portion of the dwelling, in which case they shall be exempt."

One mutual company, quoting these laws, offers to guarantee tenants from the responsibility thus attached to them at one-third of the usual rate if the building is insured by the society, or at one-half, if not.

As to the latter, Article 1382 of the Code Civil enacted:—"The consequences of any act, which causes damage to another, must be repaired by him through whose fault it has been caused."

Article 1383.—"Every one is responsible for the damage he has caused, not only by his own act, but by his imprudence or negligence."

The proprietor or the tenant, from whose dwelling the fire is communicated, is liable to indemnify his neighbours who may have suffered loss by the extension of the fire, and the same company

offers to guarantee the effects of this indemnification for a quarter of the rates demanded for the house assured or the neighbouring dwelling.

To what extent these regulations affect the total amount of insurances in France it is difficult to say; but there can be no doubt they have a very considerable influence thereon, and probably explain also, in a great degree, the extreme lowness of the premiums.

Mr. Bunyon, in an article "on the liability of the occupier of a tenement for damage done to that of a neighbour by fire kindled through his own or his servant's negligence" (*"Assurance Mag.,"* vol. i., p. 47), refers to various legal decisions on the same subject, and contends that the same principles of law apply in England, but considers that the risk is not provided against in this country, in consequence of the obstacle presented by the existing duty, which would fall as heavily upon an insurance of this limited character as upon those of an ordinary description.

#### IV.—*Fire Insurance in Belgium.*

In the year 1847, a report by the Special Commission appointed by the Belgian Government to enquire into Assurance by the State, led to a project of law, in the first article of which it was proposed that a general system of insurance against fire, hail, and mortality amongst cattle, should be undertaken by the State. The Commission, however, had omitted to state the cost at which the system recommended could be carried out, and it was referred to the Central Commission of Statistics to enquire further into the subject. The report of M. Frère Orban, the Minister of Finance, contains a large amount of very valuable information on each of the subjects referred to, and, with regard to fire insurance, he enters upon the general enquiry—how far it would be profitable to the State to undertake this branch of business.

After pointing out the distinction between the assurable value, the saleable value, and the tenant's value or registered income, he approximates to the total value thus. The net registered income from property in houses on 31st December, 1847, was 1,918,227*l.*, viz.:—

		<i>£</i>
Income from Houses.....	Town.....	892,000
„ „	Country....	804,000
Income from Manufactories.	Town.....	120,000
„ „	Country....	102,227
Total.....		1,918,227

Adding to this net revenue the amount abated according to law, we shall obtain a gross revenue of

	<i>£</i>
In Town.....	1,369,320
Country.....	1,225,320
Total.....	2,594,640

On consultation with experienced valuers, it was concluded that the gross income or tenant value in the 86 towns of the kingdom

averaged 7 per cent., and in the rural communes 3 per cent. of the insurable value, and making allowance for the unregistered property, estimated at 2,652,000*l.*, the minister concludes that the insurable value of buildings in Belgium may be set down at 86,920,000*l.* Other methods of checking these results were adopted, such as taking the proportion of the Government tax of 10 per cent. on the net income, or taking the average of 200 houses in various parts of the kingdom giving a net income of 3,955*l.*, and an insurable value of 102,454*l.* Applying the proportion of income of the whole insurable property, very nearly the same result was produced. In the Grand Duchy of Baden, the insurance of buildings is obligatory on the inhabitants, and has for nearly half a century been carried on under the authority and support of the Government. The population was about 1,335,000, and the value of property in buildings assured 27,813,000*l.*, giving about 20*l.* 17*s.* to each inhabitant. Applying the same average to the 4,337,196 inhabitants of Belgium, the insurable property in houses would be about 90 millions in value. The minister therefore thought himself justified in assuming £84 millions as the mean of the calculations. The total value of furniture seemed rated very low, being deduced from the property-tax of 1847, and the total only set down as 13,600,000*l.*, making a total insurable against fire of 97,600,000*l.* The average premium in private companies, both in France and Belgium, had been  $\cdot 085$  or 1*s.* 9*d.* per cent., but assuming 2*s.*, the total Government premium-tax would be 97,600*l.*, and the average annual value of property destroyed by fire, in Belgium, for the years 1839-40-41, and 1844 to 1848, was 85,318*l.* Considering the large expenses of carrying on the business, the minister concludes that the hope of finding in the system of Government Insurance a source of profit or revenue of any consequence to the State, is a delusion which ought to be given up; and that, both in a moral and political point of view, the inconveniences and dangers resulting therefrom are greater than the good it can be expected to produce.

In the census of 1846, just preceding this enquiry, the total number of houses in the kingdom is stated as:—

Inhabited.....	799,848
Uninhabited .....	29,713
Total .....	829,561

of which 160,471, or 20 per cent. only, were insured against fire for a total sum of 43,721,212*l.*, being an average of 272*l.* for each house, and just 10*l.* for each inhabitant, which, it will be perceived, is about half the insurable value estimated from the Baden Government returns.

At the date of the above report, it was stated that 12 proprietary fire insurance companies had been authorized in Belgium since 1830, of which 8 only were then carrying on business, the total sums insured in 7 of which, in 1848, were 57,128,424*l.* the premiums thereon, 49,278*l.* =  $\cdot 085$  per cent., the losses, 26,881*l.* =  $\cdot 047$  per cent. on sum insured, or 54·55 per cent. on the premiums, and the expenses, commission, &c., 17,028*l.* = 34·5 per cent. on premiums.

Since then, I can only give one, but a more complete account, for the year 1849-50. The oldest company bears date 1819.

	Sums Insured.	Premiums.	Losses.
	£	£	£
10 Proprietary and Mutual Companies)	123,419,190	129,724	56,000

The average premium was  $\cdot 107 = 2s. 2d.$  per cent. on sum insured, and the average of the losses  $\cdot 046 = 11d.$  per cent. on sum insured, and rather less than 44 per cent. on the premiums received.

#### V.—*Fire Insurance in Holland.*

I have sought to obtain information as to the amount insured by the fire insurance companies of Holland, but without success. A friend in Amsterdam who, some years ago, endeavoured to obtain the amount of marine insurance for me, has equally failed on applying to the managers of the fire insurance companies. The rental of insurable buildings is estimated for 1854-55 to be, in various provinces, about 2,500,000*l.*, which, at 15 years' purchase, would give 37,500,000*l.*, and the total furniture or moveable property therein, at only a little more than 7,000,000*l.* These values are very little above the estimates for 1848-49, and scarcely assist the enquiry even as to insurable property, and not at all as to the actual amount insured in Holland.

#### VI.—*Fire Insurance in Sweden.*

In Stockholm, there are five principal fire insurance companies, extending their business to the provinces, besides a few mutual associations in the country confined to small risks in their respective localities.

In four of these companies, the following table shows the increasing business to the close of 1850:—

	Number of Companies.	Sums Insured.	Losses.
		£	£
1842.....	1	2,545,400	11,912
1843.....	2	4,493,153	2,759
1844.....	2	4,981,056	7,443
1845.....	4	8,293,764	13,222
1846.....	4	8,410,299	34,047
1847.....	4	8,704,448	18,916
1848.....	4	8,896,469	7,433
1849.....	4	9,538,051	37,557
1850.....	4	9,747,796	13,245
		65,610,436	146,534

The average of the losses is  $\cdot 226$  per cent. on the sum insured, a very high rate, but evidently arising from the particular branch of business of 2 out of the 4 companies assuring buildings, goods, and furniture in the towns, the average for each company being  $\cdot 091, \cdot 092, \cdot 381,$  and  $\cdot 360$  respectively. From 1845 to 1850, the increase in the sums insured in the 4 companies was  $17\frac{1}{2}$  per cent. in the 5 years,



VII.—*Fire Insurances in Denmark.*

In the 17 years from 1827-28 to 1844, the sum insured by the Government against fire on buildings in towns, increased from 3,122,857*l.* to 4,457,142*l.*, being an increase of nearly 42·7 per cent. The average losses during that period amounted to 180 per 3*s.* 7*d.* per cent. The sum insured on buildings in the country increased from 14,980,000*l.* in 1827-28, to 18,928,571*l.* in 1844, about 26·36 per cent. in the 17 years. The average losses thereon amounted to about 187 or 3*s.* 9*d.* per cent. per annum on the sum insured.

The principal fire insurance company in Copenhagen, the Royal Octroied Fire Insurance Company, established 11th May, 1778, and remodelled on 24th May, 1843, has a privilege for insuring goods, furniture, and all moveable property at Copenhagen, so that neither another Danish company, nor the agency of a foreign insurance company, is lawful, though some English and German companies have agents at Copenhagen and do a large business. A fine of 1,000 rix-dollars, which must be paid by the insured to this company, in case he should be found to have insured with another office, is practically evaded by the difficulty of discovering the transaction, except in the case of an actual loss by fire, and the fine is often insured with the property. From 1816 to 1824, the amount of insurances gradually diminished from 2,000,000*l.* to 750,000*l.*, since which time it has steadily increased to 3,555,555*l.* in 1852. It will suffice to give the amounts insured in cash five years from 1827, when the insurances amounted to 1,000,000*l.*

	Sums Insured.	Premiums.	Losses.	Premiums Per Cent. on Sums Insured.	Claims per Cent.	
					On Sum Insured.	On Premium.
	£	£	£			
1827....	1,000,000	5,734	527	·570	·053	9·2
1832....	1,222,222	5,506	23	·450	·002	0·4
1837....	1,622,222	7,316	3,456	·450	·213	47·2
1842....	2,148,148	6,774	126	·320	·016	1·2
1847....	3,000,000	9,899	2,981	·330	·099	30·1
1852....	3,555,555	11,775	3,161	·330	·089	26·7
Total } 1815 to 1852 }	66,625,911	293,900	77,939	·440	·117	26·6

The amount of insurance is small, but shews a satisfactory and steady progress in each quinquennial period. The insurances having increased in the last ten years nearly 65½ per cent. The average premium in 37 years, have been 440 or 8*s.* 10*d.* per cent., and the average losses 117 or 2*s.* 4*d.* per cent. per annum on sums insured.

Another company, the "Brandforsikkring for Huse og Gaarde," at Copenhagen, shews a sum insured on buildings, in Copenhagen, for the year ending 30th September, 1854, of 6,575,684*l.*, being 155,556*l.* more than at last year. The premiums in the year were 2,244*l.*, and the claims, 4,014*l.*, but the funds of the society amounted to 173,418*l.*

VIII.—*Fire Insurance in Russia and Poland.*

It was stated in the "Times" of 16th September, 1847, that the Emperor had just issued an Ukase, to forbid the insurance in foreign countries of real property situated in Russia, under the penalty of a fine of 3 per cent. on the sum insured. The same Ukase places a tax of  $\frac{3}{4}$  per cent. on the amount of every policy of insurance against fire in Russia. The proceeds of the tax are destined to contribute to defray the expenses of the administration of police in the locality in which the object insured may be situated. This is equivalent to the per-centage tax, in England, on a 500*l.* policy, and it would be interesting to trace the effect on the business of fire insurance in Russia, but, unfortunately, I have not at hand any documents to throw light on the enquiry.

The only insurance company in St. Petersburg, to whose accounts I can at present refer, shows an average amount insured annually for 20 years, prior to 1847, of about 14,662,000*l.* per annum. The company was established in 1827. In 1853, the premiums amounted to 135,286*l.*, the losses, 50,890*l.* = 37·6 per cent. on the premiums, and the expenses, 20,517*l.* = 15·2 per cent. on the premiums. In addition to 600,000*l.* capital paid up, this company possesses a reserve fund of 141,636*l.*

In Poland, the Government accounts of the administration of the kingdom, about the year 1850, contained some particulars of the insurances against fire undertaken by the State. The total value of buildings assured was,—

In Towns.....	£6,568,000
In Country .....	9,428,000
Total....	15,966,400

being 38,870*l.* more than was insured in 1844. The number of fires was 196 in towns, and 1,505 in the country. The total losses amounted to 86,469*l.*, being an average of nearly 50*l.* 16*s.* for each fire. The proportion of loss to the total sum insured was about  $\cdot 540 = 10*s.* 10*d.*$  per cent., being more than twelve times as great as the average per-centage of loss in the French and Belgian companies.

IX.—*Fire Insurance in Germany.*

It is difficult to procure the statistics of fire insurance in Germany for any long period back. On application to Mr. Wilhelm Lazarus, the very intelligent correspondent of the Institute of Actuaries at Hamburg, I have been favoured with a promise of some information, but so many difficulties attend the inquiry that some time will elapse before the returns can be made up.

In the year 1850, Herr Masius, who is the editor of a valuable assurance journal published at Leipzig, and who has written several works upon the subject, estimated the total sums insured against fire in Germany as follows:

About £286,000,000	} by about 20 Proprietary Companies, the average premiums being 2 per 1,000.
100,000,000	} by 13 Mutual Companies.
429,000,000	} by Municipal Associations insuring only immoveable property.
Total	815,000,000

The four leading companies in Austria were established, one in 1822, one in 1831, and two in 1838; of 6 in Prussia only one, that of Berlin, dates as far back as 1812. In Bavaria two, the Aachen Munchner dating from 1823; in Baden one; and in Hamburg four, the oldest having been established in 1820.

At the close of 1849 the accounts of six proprietary and one mutual company, showed a total sum insured against fire of 213,709,900*l*.

Herr Masius considers that the competition is leading to a rapid increase of business, the principal exception being the inhabitants of the chief towns in Austria, viz.: Vienna, Prague, and Pesth, as also the people of the fourth rank, being petty tradesmen, handicraftsmen, small cultivators of land, and cottagers; the first because they consider themselves to dwell in fire-secure buildings, and the last because the smallness of their risks would render a proportionably higher premium necessary.

With regard to the Government fire insurance associations for immoveable property with compulsory payments, as in Saxony, Baden, &c., the average tax required is between 2 and 3 per 1000. The premium is generally higher than in public companies and there seems little doubt that the latter will gradually supersede this costly and imperfect system.

In Austria there exist five mutual fire insurance societies, in Vienna, Gratz, Prague, Inspruck, and Brunn, the earliest established in 1829. The accounts are made up at the end of the year, and the members contribute rateably to the losses and expenses. In some cases these contributions are limited to a certain sum, and recourse is then had either to a reserve capital, previously formed from the admission fees and a portion of the profits laid by, or to a temporary loan spread over certain number of years. The societies are under high patronage, and are much favoured by the local authorities; but, from ill management or inexperience, bad classification of the risks, and other defects, the proprietors of the worst class of buildings are often favoured at the expense of those who possess better.

There are also five proprietary companies, with large paid up capitals, insuring also maritime life and transport risks. Three of these were established in Trieste, one in Vienna, and one in Milan, the earliest dating from 1823. Deducting other branches of assurance, the fire risks effected in 1850 amounted,—

	<i>£</i>
In the Proprietary Companies to about .....	120,000,000
Add amount existing effected previous to 1850.....	30,000,000
	<hr/>
	150,000,000
Mutual Companies .....	22,000,000
	<hr/>
Total .....	172,000,000

The total amount does not seem large for a country of such an extent and population as Austria, but the causes assigned are that large landed property is in the hands of a few individuals. Trade and agriculture is very little advanced, and the rural population for the most part in much poverty.

In the Assurance Magazine, Vol. IV., p. 364, is a statement of the accounts of 16 German fire insurance companies.

By approximating to the amount insured in the companies for which the returns are not given, we shall be very near the truth in the following summary for 1852 and 1853 :—

	Sums Insured.	Premiums.	Losses and Expenses.
	£	£	£
1852.....	440,141,652	997,158	786,778
1853.....	504,675,334	1,169,152	995,760

Since writing the above, I have been favoured with the following information from Mr. Lazarus.

*Extract from a Letter from Mr. Wilhelm Lazarus, Hamburg.*

Fire insurance of buildings, made compulsory by Government, seems to have been the first commencement of this branch in Germany. Such an insurance society, on a somewhat large scale, is mentioned in 1729, in Saxony. The premium was fixed by the insured, and the dedommagement by Government. In 1784, the constitution of the society was altered as at present. In the middle of the 18th century, societies were established for insuring buildings in Prussia, 1742; in Hanover, 1750; in Brunswick, 1753, &c.

In 1779, the first proprietary fire insurance company in Germany (fire and marine), the "funfte Assecuranz Compagnie," was established in Hamburg. It existed till 1842, when it was ruined by the great fire of Hamburg. In 1786, the London Phoenix Insurance Company established an agency in Hamburg.

In 1800, Fire Insurance Association for Hamburg, mutual, failed in 1843, ruined by the great fire.

Bremen, mutual, ceased 1846.

"	"	"	1801, Mecklenburgh Assurance Company, still existing, mutual.
"	"	"	1808, Fire Insurance Company of Leekamp, in Bremen, proprietary, ceased 1845
1812	"	"	at Berlin, proprietary.
1819	"	"	Leipzig "
1820	"	"	Patriotische, at Hamburg, proprietary.
1821	"	"	at Gotha, mutual.
1822	"	"	Trieste, "Azienda Assicuratrice," proprietary
1823	"	"	Aachen, "Aachen Munchner," "
1824	"	"	Elberfeld, "Vaterländische" "
"	"	"	Vienna, "First Austrian" "
1826	"	"	Schwedt, mutual.
1827	"	"	Rostock "
1828	"	"	Norden "
1830	"	"	Altona "
1831	"	"	Güstrow "
"	"	"	Trieste, "Assicurazioni Generali," pro- prietary.
1836	"	"	Munchen, "Bavarian of the Bank," "
1836	"	"	Trieste, "Riunione Adriatica," "
"	"	"	Cologne, "Colonia," "
"	"	"	Leipzig, mutual.
1840	"	"	Marienwerder, mutual.
"	"	"	Stolp "
1842	"	"	Greifswald "
1843	"	"	Franckfurt-à-M., "Deutscher Phönix," proprietary.
"	"	"	Hamburg, proprietary.
"	"	"	" "Neue funfte," proprietary.
"	"	"	Königsberg, "Borussia," proprietary, (ceased 1855).
1844	"	"	Magdeburg, proprietary.

1845,	Fire Insurance Company at Stettin,	proprietary.
1847	"	" Lubeck, " (ceased 1856).
1848	"	" Breslau, "
1854	"	" Hamburg, " "Hamburg-Bremen," proprietary.
1856	"	" Lubeck, proprietary.
1857	"	" Franckfurt-à-M., "Providentia," proprietary.

By this record you perceive that fire insurance business is of recent date in Germany. As to the business of some of these societies in former years, you will find particulars in "*Lehre der Versicherung*," by E. A. Masius, Leipzig, 1846. According to this writer, the amount of property insured, in 1844, was,—

	£
In 45 German Companies, Mutual and Proprietary.....	276,100,000
English, French, Dutch, Belgian, &c., Companies....	28,600,000
Government Societies for Buildings.....	357,100,000
	<hr/>
	661,800,000

Since 1842, the "*Versicherungs Zeitung*," by Masius, and the "*Rundschau*," by the same author, will furnish you with the particulars of each year. Since 1852, the "*Jahrbuch für Volkswirtschaft und Statistik*," published annually by Otto Hubner, will give you a very accurate table of insurance business, each branch separately. The next volume, to be published in July, will contain the assurance business of 1855. As I am the author of this article I can tell you that, in 1855, the amount of property insured in

	£
19 Proprietary Companies, was .....	630,000,000
12 Mutual " .....	101,300,000
Add to this—Small Mutual Societies, about .....	43,000,000
English, French, Dutch, Belgian Societies, &c. ....	28,600,000
Government Societies for Buildings.....	357,100,000
	<hr/>
<i>Germany.</i>	1,160,000,000

[In these accounts 7 thalers have been taken = 1*l.*, because the other estimates I have given for Germany have been thus roughly approximated. To be strictly accurate 5 per cent. might be added to each item.—S.B.]

### X.—*Fire Insurance in America.*

The returns of the various insurance companies are published in some of the United States, so that if all the facts were fully stated as required, a fair estimate could be formed of the extension of the business of the companies from year to year, with their premiums, capital, reserve, &c. Those of the commonwealth of Massachusetts are given agreeably to the requirements of Acts passed in 1837 and 1842. In 1850 the requirement of returns from the Mutual Fire Insurance Companies was repealed by an Act of May 3rd in that year.

In 14 out of 18 companies in Boston, the returns on 1st December, 1850, showed at risk against fire,—

	1st December, 1850. Sums Insured. £		1851. £
	12,275,350	(14)	12,150,619
And in 4 (out of 12) offices out of Boston	513,505	(5)	1,599,205
	<hr/>		<hr/>
	12,788,655		13,749,824
In 2 Mutual Companies .....	1,506,972	(4)	2,004,615
	<hr/>		<hr/>
Total.....	14,295,627		15,754,439

The above appear to be only the insurances remaining in force at the end of the year, and not to include the current risks of the year; and the premiums and losses are not sufficiently definite to allow of comparison. But other returns show that in the two mutual companies, of which the amount of risk at the end of the year was 1,506,972*l.*, the new business of the year was 2,598,449*l.*, the premiums on which were 7,810*l.*, being an average of 3*s.* or 6*s.* per cent., and the losses about 50 per cent. on the premium.

In 1851 the amount insured in the share office had increased from 12,788,655*l.* to 13,749,824*l.* From the amount insured in the year in four companies 3,683,079*l.*, the premiums on which were 10,858*l.*, the average rate would seem to be almost exactly the same as last year.

In the State of New York the returns made by the Comptroller of the State for the year 1851, the amount of assurances are stated in 30 companies to be 48,954,660*l.*, four companies not giving the return. The premiums for the year are only stated for 18 companies, and amount to 195,814*l.*, and the losses for 33 companies (one only being deficient) at a total of 243,339*l.* But some of the premiums include interest and income, and many of the statements of losses include expenses of carrying on the companies, so that no satisfactory percentage of either can be deduced from these items.

From the United States Insurance Gazette for January last, it appears that in the year 1855 there were in the State of New York 69 joint stock fire insurance companies, with an aggregate cash capital of about 2,770,400*l.*, and the following shows a comparison of the two years 1854 and 1855, including mutual companies, and companies of other States doing business in the State of New York.

	Sums at Risk.	Premiums.	Losses Paid.
	£	£	£
1854.....	152,289,283	1,366,328	.....
1855.....	101,380,596	1,377,688	568,159

The business appears to have diminished during the past year, owing, it is said, to the want of confidence arising from the failure of some companies, and the investigation to which others had been legally subjected by the government officers appointed for that purpose.

#### XI.—*General Summary.*

With the exception of Great Britain and France, the preceding returns must be very defective; they indicate a large amount of property insured against fire, and in some degree illustrate the progress of the business, but in each of the countries named a vast amount carried on by government, or by local companies, must have escaped notice. It will be interesting, however, to bring all the returns I have actually given down to the close of last year, by approximating as near as possible by estimates made at the rate of progress last observed.

	Sums Insured against Fire Estimated at the end of 1856.		Premiums, Estimated as nearly as possible from previous Averages.	Losses Estimated.
	£	£	£	£
<i>Great Britain</i> (deduced from the Duty)	927,000,000		....	....
Farming Stock exempt .....	70,000,000			
Foreign and Colonial Business about	125,000,000	1,122,000,000	1,953,000	976,500
<i>France</i> , Proprietary Companies....	1,320,000,000		....	....
Mutual Companies.....	480,000,000	1,800,000,000	1,566,000	774,000
<i>Germany</i> , including Austria (as- suming the rate of increase for the last three years to be the same as in 1853)	700,000,000		1,624,000	812,000
Government Insurances and Foreign Insurance Com- panies, &c., about (Premium tax about 250 per cent.)	450,000,000	1,150,000,000	1,125,000	1,125,000
<i>Belgium</i> , ten Companies (assume increase 2 per cent. per an- num since 1850)	.....	138,000,000	144,900	63,500
<i>Sweden</i> , four Companies (at same rate of increase as 1845 to 1850, premiums at double the losses)	.....	11,800,000	53,100	26,500
<i>Denmark</i> , Government Insurance (assume increase at 2 per cent. per annum since 1844, premiums being a tax = losses)	29,000,000		54,300	54,300
Company at Copenhagen .....	3,800,000		16,700	4,400
Another Company (premium and losses doubtful, assumed at about half the preceding)	6,900,000	39,700,000	15,000	4,100
<i>Russia</i> , Company at St. Peters- burg (sum insured not given, but, in 1852, the accounts state the Police tax due as 21,648 <i>l.</i> , which, if for a year, would give about 29,000,000 <i>l.</i> insured in 1852, say)	.....	30,000,000	140,000	52,000
<i>Poland</i> , Government Insurance of Buildings (premium taxes = losses)	.....	16,000,000	86,000	86,000
<i>America</i> , Boston Offices (assum- ing same rate of increase as in 1851)	23,000,000		69,000	34,500
New York Offices (business fell off in 1855, assumed same as in 1854)	152,000,000	175,000,000	1,370,000	760,000
<b>Total.....</b>		<b>4,482,500,000</b>	<b>8,217,000</b>	<b>4,772,800</b>

From this rough approximation it appears, that the total of the amount of fire insurances in the countries, or in the offices referred to in the preceding pages, and estimated to the present date, amounts to the large sum of 4482½ millions sterling, though it is evident that it by no means gives an adequate view of the total amount of property insured against fire in Europe and America. A vast amount, protected by governments or private associations, must still have escaped notice. The annual premiums on the whole amount may be not far short of 8,200,000*l.*, and the losses per annum about 4,773,000*l.*

## XII.—*Fire Insurance Duty in Great Britain.*

The statements which have been given above, relative to fire insurances in foreign countries, are no doubt very defective, because the returns from the companies are not required on any uniform plan, and a large amount is probably insured in private associations of which no account is taken. The per-centage duty in Great Britain, however, allows of a much nearer approximation being made to the actual amount of insurance in this country, exclusive of what may be effected by British companies abroad. But this tax has, almost since it was first levied, met with reprobation as a tax on prudence, a heavy discouragement to the extension of the business; and even if it could be admitted to be just and moral to tax the exercise of prudence more heavily than self-indulgence, it is so disproportioned to the average taxation on other objects, that general surprise has been excited at the defence of it by the Chancellor of the Exchequer, and by Mr. Coode's report, from which his arguments were drawn. Even so far back as 1806 Sir Frederick Eden, in his valuable little work "*On the policy and expediency of granting Insurance Charters,*" denounces the heavy burden which it imposed on the business of fire insurance, when the tax was only 2*s.* 6*d.* per cent. on the sum insured, pointing out that, at the ordinary premium for brick buildings, (2*s.* per cent.) the tax was even then 125 per cent. on the value of the risk. Tobacco, sugar, and wine, he adds, are among the few articles which can vie with insurance in contributing so largely to the revenue, in proportion to their value, and none possess the further excellence of being paid into the revenue at the expense of only five per cent. of their gross produce. In 1815, when the war taxation began to be gradually diminished on articles even of needless luxury, this tax was increased by 20 per cent., being raised in that year from 2*s.* 6*d.* to 3*s.* per cent., and notwithstanding the feeling of the public, strongly expressed on many occasions, appeals to the finance minister, petitions from insurance offices, merchants, bankers, and many other classes interested in its removal, it continues to be a heavy clog on the progress of insurance; and from the recent declaration in the House of Commons, threatens to be maintained perpetually at its present high rate, unless the public will stir themselves for its reduction, even if deterred by the necessities of the state from advocating its entire removal.

As it is evident that the defence of the government rests mainly on Mr. Coode's report, we shall be better able to consider the bearings of the question by examining and replying to some of his principal statements and arguments.



Mr. Coode contends that the duty is light, because it bears a very small proportion to the value of the property insured; that in ordinary cases, where the property is fully insured, it does not exceed 1 to 667 of the value, and that even this would give a very exaggerated notion of the actual burden, because no house is wholly indestructible, and that by constant improvement in the construction, by increase of party walls, &c., the amount of incombustible materials is constantly increasing. He considers that the practice of insuring one-third to two-thirds of appraised value effectually covers the risk incurred, and the tax consequently diminishes from 1 in 1,000 to 1 in 2,000, in proportion as two-thirds, one-half, or one-third of the value is insured. But it must be observed, that though a portion of the property may be incombustible, it does not follow that it must be uninsurable; for even iron and stone may be so injured by the effects of fire as to be practically useless for the reconstruction of a building, and the duty would probably fall on a considerable part of the value now uninsured, if the amount of it were not so oppressive as to force the owner to be his own insurer. But even if this were not the case the question is not, whether the tax is heavy upon property, but whether it is heavy on the cost of insurance? In the same manner as Mr. Coode argues that it becomes light upon the owners of house property, in proportion as they leave a large portion uninsured, he endeavours to convince us that it falls light upon the consumers of commodities, because the insurance of stock in trade, handicrafts, and manufactures, covers successive portions of stock, and consequently represents values greater in proportion as the stock is frequently changed. Thus fishmongers, who keep one day's consumption, butchers two or three days, bakers a week, grocers three weeks, wine and spirit merchants a month, and the wholesale trader from a few days to three months, would actually pay duty only on proportionate values, varying from 300 times to 4 times the sum insured, or from the fishmongers, paying about the  $\frac{1}{300000}$ th part to the cotton merchants, paying about the  $\frac{1}{30000}$ th part of the value in duty. Now it is clear, that all the duty on the intermediate transfers of consumable commodities will have to be paid eventually by the consumer, who, though he may find the increase of price only slightly affected by the duty, may have just cause of complaint that it should be affected at all, when it is an addition laid on by the government for what he naturally has to pay for the non-destruction by fire of the value of these various articles of provision or use before they reach his hands. The truth is, that Mr. Coode in this part of his argument loses sight of the tax as a fire insurance tax, and converts it into an indirect property tax, chargeable upon the owners or consumers of property who have preserved its value from destruction by fire by an insurance against this risk. But why should these prudent possessors of property be the only sufferers by the tax, and the possessors of uninsured property escape? Why should the owners of incombustible or uninsurable property, such as land, the funds, share property, or cash in hand, be placed out of the chance altogether of having to contribute to a tax, which it is evidently argued falls lightly, only because it is a small tax on the value of property? It should be remembered too, that the tax so levied

falls for the most part on buildings, and on articles of consumption or use from which the profits of trade are created, and which, consequently, are already subject to a direct income or property tax. Although the fire insurance duty in this point of view has never participated in the reductions which have been forced upon the Government in the other direct taxes, yet the proceeds amount to the by no means contemptible sum of 1,340,000*l.*, and form nearly a fourth part of what the whole income tax amounted to when it was at 7*d.* in the pound.

But reverting to the duty as a tax, which it really professes to be, a tax upon insurance, Mr. Coode contends, instead of being 200 per cent. upon the premium, as unfairly represented in the complaints made against it, that as the premiums vary from 1*s.* 6*d.* per cent. for private houses of the best class to 4*s.* for agricultural stock, 12*s.* for warehouses, 5 guineas for theatres, &c., the average, as deduced from the returns of a large insurance company, would be not less than 3*s.* per cent., and the duty consequently varies from 200 to 3 per cent. on the premiums, and is only 100 per cent. on the average office value of the risk. He considers that as the duty remains fixed, it presents a happy adjustment of the burden to the means of those who can bear it, being comparatively heavy where the property is most valuable and subjected naturally to the least cost of insurance, and comparatively light as the property is most precarious and subject to the greatest burden in the cost of provision against fire. In this case the question of the duty being a property tax, again comes into view, for it is only by assuming that the property is estimated to be more valuable in proportion to the smallness of the premium, that the argument is of any effect. In any other sense it would seem strange, that if the premiums of insurance can be taken as the value of the benefit which the insured derives, a tax of 200 per cent. should be laid upon one individual, because he is the owner of a house, and of only 3 per cent. upon another, because he is the owner of a theatre. The premiums after all are only the previous savings of a number of individuals to meet a loss by fire when it comes, and if the premiums received may be assumed to represent the actual loss incurred, the effect of the tax is, that whenever a private house worth 1,000*l.* is destroyed by fire, the owner has to pay 1,000*l.* to reinstate his property, and 2,000*l.* more to government for permission to do so; or, since the real value of the risk cannot practically be taken at much more than half the premium, 4,000*l.* to government for every 1,000*l.* laid out to reconstruct the building. On the other hand it is true, according to Mr. Coode's arguments, that if he had been the fortunate possessor of a theatre worth 100,000*l.* which had been destroyed by fire, he would only have to pay 3,000*l.* to government under similar circumstances, or 6,000*l.* if half the premiums would have met his loss. Is there any tax that can be pointed out more unjust in its principle, or more oppressive in its operation, than this?

Mr. Coode looks upon the objection that these taxes are "taxes on prudence," as merely rhetorical, and contends that it is in the very nature of taxation "to be mainly derived from the exertion of all the moral and physical excellences productive of wealth; for industry, enterprise, fortitude, temperance, prudence are necessarily

the main producers of revenue, both private and public;" that vicious acts do not in general so continuously produce wealth as to allow of any considerable part of any national revenue to be derived from them; and that in taxing to a considerable extent some stimulants and luxuries, we have probably gone to the full extent that is safe or desirable. No doubt the greater part of the growing wealth of the country, liable or contributing to taxation, must be owing in some degree to the exercise of that provident self-denial that does not spend all that it creates by skill or labour, but lays by something for the future; and if all taxation was to be remitted, except what depended on vice or self-indulgence, a large part of the revenue of the country would have to be sacrificed; but this is overstraining the argument. The insurance duty is a tax upon the preservation from destruction by fire, of property which has been acquired by continued labor and the exercise of all those moral excellences which, it is admitted, are generally needed for the production of wealth—efforts which have been checked and incumbered in their earliest attempts at its creation, and which, in every stage of the process, have been harassed and pursued by the utmost ingenuity of taxation. When the reward has, after so much toil and so many drawbacks, at last been attained,—when industry, courage, skill, and self-denial have at last succeeded in realizing the hard earned result, it surely could not be considered unreasonable to expect that the preservation of it might be free to a certain extent from those fiscal burdens from which it has suffered so long, and not be loaded with an extra tax, out of all proportion to those which it has already passed through.

To the objection that the tax, as 200 per cent. upon the ordinary rate of premium, by its oppressiveness acts virtually to the discouragement of insurance, and that if it were diminished a considerable extension would ensue, producing an equal or increased revenue, Mr. Coode replies by an inquiry into the value of property in England really insurable. It is admitted that with existing materials any near approximation to the truth is almost impossible. The large amount of property set down as uninsurable may be correct or not, viz.: land and its modifications taken at £50 millions a year, at 33 years' purchase = £1,550 millions of investments in national and other funds, in roads, railroads, canals, and the like, valued at not less than £1,200 millions more; agricultural stock of growing crops or live stock not in sheds; cash and money in hand or in banks, forming together a very considerable deduction from the amount capable of insurance. Some of these items, however, may be questioned, as a large portion of railway investments, for instance, must consist of business premises, stations, &c., liable to be destroyed by fire, but in any case there is reason to believe that he must have considerably underrated what remains.

The principal subjects of fire insurance are stated to be—

1. Houses, warehouses, workshops, and the like erections generally.
2. Household furniture and the ordinary contents.
3. The stock of producers and traders.

In the inquiry as to the value of houses or other buildings, he contends that a large proportion must be indestructible, and there-

fore uninsurable; and in another very large proportion, especially shops, warehouses, workshops, manufactories, the value depends upon their situation, which is an uninsurable value, and his estimate of the amount to be insured comes out no more than ten years' purchase of the net rental. Taking the assessment to the property tax of all houses in England and Wales, as returned for the year 1855, he concludes that 436,289,780*l.* is the total insurable value of house property therein, but to make cavil impossible, and to allow beyond all reason for exempted property, for unoccupied buildings, and for the under estimate of some that are occupied by their owners, he allows fifteen years' purchase of the rack rental, making a total for the insurable value of house property in England and Wales, 654,000,000*l.*

As to household furniture, utensils, wearing apparel, and such objects as commonly constitute the contents of dwelling-houses, he considers the value is relatively on the decrease, from the diminished weight, substance, magnificence, and costliness of household furniture, &c.; and after various enquiries, concludes that it would be to adopt quite the extreme value of exceptional classes to take it at five times the rental of houses, or upon the assessment as before of 1855, at 220,000,000*l.*

As to the third subdivision, the insurable value of the stock of producers and traders, after allowing that the amount on the whole must be largely increasing, he contends that the insurable value at any one time is, on the contrary, rapidly diminishing by every improvement in the practices of business, and in the accessibility of markets, both for the raw material and the elaborated products,—the value of stock in hand being diminished, but with the diminished stock a greater aggregate trade done.

He assumes that the ordinary consumption by every family of all articles of trade, may be taken at about equal in value to five times their house rent, and that on an average of all these trades, three months' consumption was always on hand. We should then have 44,000,000*l.*  $\times 5 \div 4 = 55,000,000$ *l.*, as the insurable value of stock in hand on the home trades, and probably as much again for combustible stock in hand of the foreign trade: total 110,000,000*l.* This rateable value has, however, been already more than covered, by assuming five years' rental of the warehouses or shops in which it is deposited, and he concludes that nothing more is to be added for the insurable property of England and Wales, unless the value of the costly machinery in some of our great manufactories should bring the average above the five years' rental, and unless some further considerable sum should be added for shipping and craft, the risks of which from fire are not covered by their marine insurances. He still leaves the whole insurable property of England and Wales in 1855 at no more than 874,000,000*l.* The amount actually insured, and for which duty was paid in that year, was 785,000,000*l.*, or rather, if we remember that Mr. Coode's table of duty is made up to the 5th January in each year, the next lower item of 802,574,000*l.* should be the total compared, and no doubt, if the estimate is true, the limit of fire insurance is very nearly reached; no great increase of fire insurance could be expected; and the argument that the produce of the tax might be increased, or at any rate maintained, at its present

amount if the present heavy duty were diminished, would fall to the ground. But the estimate is so contrary to the experience of every one conversant with the business, that we cannot but come to the conclusion that some great omission has occurred. It is the opinion of some of the most experienced men in the business of fire insurance that fifteen years' purchase of the rental may be a fair average insurable value of the buildings, but that the contents even of private houses have been repeatedly tried, and cannot be taken on an average at less than cent. per cent. on the value of the buildings; in shops at twice this amount; and in wholesale warehouses, at a moderate estimate, at four or five times the same. In 1806, Sir Frederick Eden entered into a most careful computation, under different heads, of all the insurable property of Great Britain, which he made close upon 602,000,000*l*. Leaving out, however, for the purposes of the present comparison, Scotland and Ireland, agricultural stock, which he puts at £37½ millions, and shipping in British ports at £5½ millions, his estimated values for England and Wales may be thus subdivided:—

	<i>£</i>
Houses, Warehouses, &c. ....	200,000,000
Furniture, Clothes, &c. ....	185,000,000
Manufactures, Machinery, &c. ....	99,000,000
Total.....	484,000,000

an estimate, the relative proportions of which much more nearly accord with the experience of Insurance Companies than that in the report, which only sets the contents of all kinds, domestic furniture, stock in trade, &c., at one-third of the value of the buildings in which they are contained. Assuming that the increasing trade of the country must largely increase the stocks in hand since 1806, it would probably be a very moderate valuation to reckon the contents, instead of one-third, at least half as much again as the value of the buildings, and the estimate would then stand—

	<i>£</i>
Value of Buildings .....	654,000,000
Contents of ditto .....	981,000,000
Estimate for 1855 .....	1,635,000,000
Insured in 1855.....	802,574,000

allowing of a considerable margin for the expansion of the business in England and Wales, independent of the considerable increase that might be expected in Scotland and Ireland.

This view of the case is confirmed by the Reports of fires in London that occurred in the years 1836 to 1849, when the number of buildings and contents insured and uninsured were compared. The results will be found in an article on the Fires in London, which I prepared for the "Assurance Magazine" in 1854, Vol. I., p. 41.

*Proportion Per Cent. of Insurances ascertained to have been effected in case of Fire.*

	Average of whole Period, 1836 to 1849.	1848 and 1849 only.
Buildings and contents insured.....	37·58	41·27
Buildings only „ .....	15·24	17·22
Contents only „ .....	14·69	12·54
Neither „ .....	32·49	28·97
	100·00	100·00

As the proportion of insured to uninsured increases throughout all the four periods given in the original table, it will be fair to take the last period only for comparison. Assuming that where 100*l.* is insured on the buildings there should also be insured 150*l.* on the contents, the Table may be read thus:—

	Insured.	Uninsured.
	£	£
Fully assured buildings and contents (100 <i>l.</i> on buildings and 150 <i>l.</i> on contents) .....	10,318	....
Buildings only (contents may be insured) 150 <i>l.</i> for each 100 <i>l.</i> ....	1,722	2,583
Contents only (buildings may be insured) 100 <i>l.</i> for each 150 <i>l.</i> ....	1,254	836
Neither (both may be assured) (100 <i>l.</i> on buildings and 150 <i>l.</i> on contents) .....	....	7,243
Total .....	13,294	10,662

so that in London (where it may be reasonably supposed the largest proportion of property has been already insured) where 13,294*l.* is already insured, there would, if all the buildings and contents had been fully insured in the like proportion, be a further increase of 10,662*l.*, showing a margin of 80 per cent. still to be brought within the benefits of insurance. It strongly confirms the view previously taken, that there is still ample room for the increase of the business on existing property, independent of the yearly added value in the creation of new insurable property.

I may remark here, in respect to Mr. Coode's opinion that the substance and costliness of household furniture has much diminished, that it may be true as regards palaces and great mansions, but that it must have come within every one's observation, that the houses of the middling classes, tradesmen, and farmers, are much better furnished than formerly. From the large numbers of houses of this description, it is evident that they would more than compensate for the diminished values in the other class. To contend, as Mr. Coode seems to do, that an average insurable value of 41*l.* 7*s.* for every inhabitant of this country is the limit of insurance, when

we have seen that, as far back as 1817, the insurable value in buildings alone to each inhabitant of Baden and Belgium was 20*l.* 17*s.*, gives us but a poor idea of the increasing industry, energy, skill, and prudence, and their natural concomitant wealth, which we are accustomed to glory in as the distinguishing characteristics of our countrymen.

A glance at the last statistical abstract for the United Kingdom will show the surprising advance which has been made in every branch of trade during the last fifteen years. The total declared value of British and Irish produce has increased from 47,285,000*l.*, in 1842, to 115,891,000*l.* in 1856 = 145 per cent. The total tonnage of British and foreign vessels, entered and cleared with cargoes only at ports in the United Kingdom, has increased from 7,346,804 tons in 1842, to 17,902,998 tons in 1856 (= nearly 144 per cent.), and the capital in the savings' banks from 25,300,000*l.* in 1842, to nearly 35,000,000*l.* in 1856 = 38.6 per cent., all evidences, whilst the estimated population has only increased from 16,124,000 to 19,044,000 (= about 18 per cent.), that the average insurable property of each individual must have increased more in proportion than the population in the same time, and far more than the rate at which fire insurance has increased, which Mr. Coode's table only sets at 600,670,000*l.* in 1842, to 802,574,000*l.* in 1856, = 33.6 per cent.

Mr. Coode further adduces, what he considers proofs, that the tax cannot be shewn to have impeded the operation of those causes which tend to the increase of fire insurance. It is, of course, very difficult to prove at what rate fire insurance would have increased, if it had been freed from the burden of the tax. Some of his reasonings however, depend on the difference in the date of the Act by which the per-centage duty was raised from 1*s.* 6*d.* to 2*s.* in 1797, misquoted as 1787; but in other respects also it seems to me that the reasonings are contrary to the facts actually given. Mr. Coode admits that from 1694 to 1782 the business steadily increased, the annual rate of increase being about £2½ millions; that from 1782, when the first per-centage duty was laid on, in addition to heavy stamp duties, the amount insured decreased about 7,000,000*l.* annually, till 1786. From 1787 to 1797 we must correct Mr. Coode's figures, the per-centage duty still remaining at 1*s.* 6*d.*, and stamp duty on policies as before. The increase in this period was, on the average of the ten years, about 1,900,000*l.* annually over the average of the preceding five years. In the following ten years, the duty being increased from 1*s.* 6*d.* to 2*s.* per cent., but the policy stamp duty reduced from 6*s.* under 1,000*l.*, and 11*s.* for 1,000*l.* and upwards, to 3*s.* and 6*s.* respectively, the increase was 6,400,000*l.* annually. In 1804 the per-centage duty was increased from 2*s.* to 2*s.* 6*d.*, but the policy stamp reduced from 3*s.* and 6*s.* to 1*s.* From 1804 to 1815 the increase on the preceding average was about 105,000,000*l.*, or about 9,500,000*l.* annually; it is only when we arrive at 1815 that we find an increase of per-centage duty without a reduction of the stamp on policy, and by Mr. Coode's own table the amounts insured in the following three years, viz., 1816, 1817, 1818, were respectively less than in 1815, by about 4,500,000*l.*, 7,100,000*l.*, and 4,300,000*l.*, and the year 1820 only exceeded 1815 by 264,000*l.* It would appear,

therefore, that if we take into account the remission of the policy stamps, the increase in each period is not what might have been expected from the growing wealth of the country; that in the early stage of its progress, previous to 1782, when the public had to be taught the benefits of insurance, it is not surprising that the rate of increase was not more rapid than £3 millions a year, but that an increase in the business on an average of the last 40 years of only  $11\frac{3}{4}$  millions per annum, is not in accordance with the progress in the trade and realized property of the country; and that the raising of the duty from 2s. 6d. to 3s. in 1815, evidently checked for some time the increase of fire insurance that was previously going on.

Again, with regard to the exemption of farming stock, Mr. Coode argues that, as from 1834 to 1856 the total amount of farming stock exempt has only risen from  $37\frac{1}{4}$  millions in 1834, to  $62\frac{1}{4}$  millions in 1856, or a rise in 22 years of  $67\frac{1}{2}$  per cent., whilst insured property, all that time subject to the duty, has risen from  $483\frac{9}{10}$  millions to  $802\frac{1}{2}$  millions, an increase in the same period of  $65\frac{5}{8}$  per cent.; that insured exempted property has only increased  $1\frac{1}{10}$  per cent. more than insured property subject to the duty, and that consequently had all other property been exempted also, the only effect would be to raise the amount insured from 802,574,000*l.* to 813,800,000*l.* Of course, if his previous arguments are correct, that we have already reached nearly the full limits of insurance of duty-paying property, there could be no great increase if the tax was taken off; but we have already seen how unreasonable such a supposition is, and consequently we may safely reply that whilst agricultural stock rapidly came within the limits of insurance, till perhaps it approaches nearly to the full insurable value, of other property an immense amount would be open to the operations of the insurance companies, and would reward the exertions of the companies with new business, in the same rapid manner as the insurance of agricultural stock increased after the exemption was first accorded. It is remarkable, that whilst Mr. Coode contends that no great increase in the insurance of agricultural stock has followed the abolition of the duty, as compared with other property still subject thereto, he gives a table, which to my mind proves the very reverse, and I consequently insert the comparison.

*Increase of Property Insured.*

	Subject to Duty.	Exempt from Duty. Farming Stock.	
	Increase per Cent.	Increase per Cent.	Diminution.
2 years, 1835-6 .....	4·13	8·78	....
5 years, 1837 to 1841.....	11·04	19·61	....
5 years, 1842 to 1846.....	12·75	15·32	....
5 years, 1847 to 1851.....	7·09	6·29	....
5 years, 1852 to 1856.....	14·60	....	·05

From this table it is evident that in the first two years of the remission of the duty, the insurance of farming stock did increase at



more than double the rate of other insurances, that in the following five years it increased at the rate of 80 per cent. more, in the next five again at 20 per cent. more, and that it was only when it may be reasonably supposed that the effect of the abolition of the duty had passed away, and when in fact the impulse that had been given to the business had done its work, that the amount remains stationary. Had the same rate of increase gone on in the other classes of insurance, the amount of fire insurance subject to duty would have been—

	£		£
In 1836 .....	560,490,000	instead of	520,352,000
1841 .....	663,140,000	„	590,461,000
1846 .....	726,490,000	„	640,680,000

and there would even then have been a wide field for the operation of the companies and the expansion of the business, very different from the limited one which the insurance of merely agricultural stock presents. But, though useful to prove that the remission of duty will lead to the increase of insurance, there seems no reason why agricultural stock should be exempted, in preference to any other kind of property; and if the rate of duty should be diminished to one half, it would be but just to those who are compelled to pay at all, that it should be replaced on the old footing, and charged equally with other property.

It seems to be inferred by Mr. Coode that the offices generally prefer leaving the duty as it is, because it helps to increase the allowance to the agencies, and that the public generally take little interest in the matter. There may be, no doubt, a few companies which, for various reasons, may be indifferent to a change. It does not accord, however, with sound policy for them to contend for their agencies being supported by a commission from a government duty, from which they get but a small profit, to the exclusion of their own proper business, which, if the agents exert themselves to procure the same income by commission on premiums, would benefit the companies and the public as well, since insurance is generally admitted on all hands to be a public benefit. There is no reason to believe that the companies which support the present high rate of duty, levied to the discouragement of their business and the burden of the public, are either the majority in number or the most influential in position, though one or two may deservedly rank high. On the contrary, so far back as 1836, a letter was addressed to the Chancellor of the Exchequer, signed on behalf of some of the leading fire insurance companies by the secretaries or managers, when the result of the conference with the Minister with the deputation appointed to wait upon him for the purpose of discussing the question relative to the proposed total exemption of “barns, stables, and other outbuildings, bonâ fide used for agricultural purposes,” from the 3s. annual duty on fire insurances, became known. In this letter they earnestly press for a more comprehensive and enlarged consideration of the bearing of the fire insurance duty; they point out that the pressure of taxation, though not sufficient to crush the growth of insurances, has long been felt most seriously to depress their natural buoyancy and expansion, that it tends to encourage a person to stand his own

insurer for a portion of his property, and that the 3*s.* duty is heavy enough to act as a bounty to leave it uninsured. The records of fires prove the fact, and it is considered no exaggeration to say that greatly more than half the property of the country is uninsured. In districts where fires are not very frequent, it is their conviction that the duty has the most powerful and pernicious effect, nearly totally restraining the practice, and in all cases the charge of a 3*s.* duty against a 1*s.* 6*d.* premium (the rate charged for full half of all the existing insurances) leads to the closest economy of the sums insured, independent of the cases which it altogether excludes from insurance. A rate of taxation of 200 per cent. (nearly one-half of which is a war tax after 20 years' continued peace) presses heavily on the industrious classes, and the smaller class of capitalists and traders who cannot become their own insurers without a risk, ruinous to their fortunes and credit.

The managers of these offices, however, not relying wholly on these arguments, represent their clear and unshaken conviction, that a large and general reduction of the rate of duty would be far from injurious to the revenue, in any proportion to its nominal sacrifice; and consider that a capital half as large again as that now protected would be ultimately brought to pay to this branch of revenue; and that a duty of 1*s.* 6*d.*, in lieu of 3*s.*, would not be felt so as to retard the progress of the business. At the same time they suggest that the total exemption for one sort of property, whilst so heavy a rate of duty is left upon all others, is calculated to create dissatisfaction with the public, and prejudice the chance of a fair consideration of the general question. This document is signed by the managers or secretaries of the Sun, Royal Exchange, Guardian, Globe, Phoenix, Westminster, Imperial, Union, London Assurance, Atlas, County, and Alliance, names well known as the leading offices in London. It nearly rebuts the assertion that the offices generally support the continuance of the duty at its present rate.

Nor have the public been idle. In 1854, a petition was presented to the House of Commons, in which, after enumerating the changes in the rate of duty, the petitioners state "that during nearly forty years of almost uninterrupted peace, no alteration has been made in the duty of fire insurances (the repeal of that on farming stock only excepted), notwithstanding the Fire Insurance offices and the public have made repeated efforts to obtain some reduction thereof, by petitions presented to your Honourable House, and by representations to the Chancellor of the Exchequer for the time being. That there is no doubt that the reduction in the ordinary rate of premium in late years would have led to a far greater increase of business, if the onerous tax of 3*s.* per cent. had not operated as a check thereto. That a vast portion (it is fully believed three-fifths) of the property of the country is unprotected by insurance, partly owing to the high duty. That the unexampled progress of fire insurance in France affords a practical illustration of the facility with which the business is capable of increase, when unfettered by taxation; the sum covered in the year 1852 in Great Britain and Ireland, where fire insurance has been known for rather more than a century and a half, being about 880 millions sterling; and in France, where it has

been in operation for only 35 years, being about 1,415 millions sterling. That reduction in taxes is far from involving a loss of revenue to the extent of such remission."

And the petitioners pray for the entire abolition of the stamp duty of 1s. on each policy, and for a considerable reduction in the annual duty of 3s. per cent.

This petition was signed by 3,798 persons, merchants, bankers, and inhabitants of London and its vicinity, men whose position in society and large commercial dealings gave them the best opportunities of knowing the practical effect of this tax on the insurance of private property or commercial products.

There can be little doubt of the fact, that the tax is generally felt to be oppressive and in excess, that it discourages to a very serious extent the prudent practice of insurance, and consequently leaves a very large amount of property unprotected, and that the reduction of the duty even to 1s. 6d. per cent. would in a very short time so augment the proceeds as to show no material difference in the revenue, whilst it would place this country more on a level with the position which it ought to occupy for its wealth and greatness, compared with the other nations of Europe, in which such rapid strides have been made within a few years in the development of the most useful and beneficent system of insurance."

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